GOVERNMENT OF INDIA
SHIPPING
LOK SABHA

UNSTARRED QUESTION NO:3777
ANSWERED ON:22.03.2001
SHIP ACQUISITION PROGRAMME
BHAWANA GAWALI (PATIL)

Will the Minister of SHIPPING be pleased to state:

(a) whether the Shipping Corporation of India has decided to reduce the number of its ship acquisition programme during the Ninth Plan;

(b) if so, the details thereof and the reasons therefor;

(c) the reaction of the Government thereto;

(d) whether the Shipping Corporation of India has decided to focus its activities on new areas also; and

(e) if so, the areas identified by the Shipping Corporation of India so far?

Answer

MINISTER OF STATE IN THE MINISTRY OF SHIPPING (SHRI HUKUMDEO NARAYAN YADAV)

(a) Yes, Sir.

(b) The Shipping corporation of India (SCI)`s Tonnage Acquisition Programme in the beginning of 9th Plan envisaged acquisition of 53 vessels aggregating 23.84 lakhs DWT. However, SCI has been able to acquire only 4 vessels aggregating 1.29 lakhs DWT till 31.3.2000. SCI in March, 2000, has revised their vessel acquisition programme and plan to acquire 21 vessels aggregating 16.85 lakhs DWT during the remaining period of 9th Plan period. The main reasons for non-achievement of target are as under:

(i) Continued recession in the international freight market.

(ii) Change in the trade pattern while the projects were in the pipeline.

(iii) Difficulties in raising large amounts of ECB (External Commercial Borrowings).

(iv) Non-availability of appropriate second-hand vessels as per SCI`s requirement.

(v) Procedural issues which affected approval of projects.

(vi) Limited financial powers of SCI Board.

(c) Government have granted in February, 2000 `Mini Ratna` status to SCI as a consequence of which SCI will be able to exercise enhanced financial powers, improve its performance and acquire more vessels during the balance period of 9th Plan, based on the anticipated business opportunities as well as SCI`s immediate requirements.The SCI have also placed orders for the construction of 8 vessels during the current year.

(d)&(e) No, Sir. However, SCI has diversified its activities to include Liquefied Natural Gas (LNG) Transportation and has already embarked on a joint venture with Mitsui OSK, Japan and Enron for LNG Transportation for Dabhol Power project. This is a new activity with lot of potential for SCI.